

TITLE 14: COMMERCE  
SUBTITLE C: ECONOMIC DEVELOPMENT  
CHAPTER 1: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 550  
LOCAL TOURISM AND CONVENTION BUREAU PROGRAM

Section	Purpose
550.10	Purpose
550.20	Definitions
550.30	Allocation of Appropriations to Grantees
550.40	Certification Process
550.50	Grant Application Process
550.60	Program Requirements
550.70	Administrative Match Requirements
550.80	Contractual Requirements

**AUTHORITY:** Implementing Section 605-705 of the Civil Administrative Code of Illinois [20 ILCS 605] and Section 8.25 of the State Finance Act [30 ILCS 105] and authorized by Section 605-95 of the Civil Administrative Code of Illinois [20 ILCS 605].

**SOURCE:** Adopted at 9 Ill. Reg. 4775, effective April 4, 1985; amended at 12 Ill. Reg. 2226, effective January 19, 1988; amended at 14 Ill. Reg. 5091, effective March 20, 1990; emergency amendment at 14 Ill. Reg. 5565, effective March 28, 1990, for a maximum of 150 days; emergency expired August 25, 1990; amended at 14 Ill. Reg. 18746, effective November 9, 1990; amended at 15 Ill. Reg. 1798, effective January 29, 1991; emergency amendment at 15 Ill. Reg. 10498, effective June 26, 1991, for a maximum of 150 days; emergency expired November 23, 1991; amended at 16 Ill. Reg. 3464, effective February 20, 1992; amended at 16 Ill. Reg. 14628, effective September 14, 1992; amended at 19 Ill. Reg. 1808, effective February 7, 1995; amended at 21 Ill. Reg. 9732, effective July 11, 1997; amended at 22 Ill. Reg. 10425, effective June 6, 1998; emergency amendment at 25 Ill. Reg. 9629, effective July 9, 2001, for a maximum of 150 days; emergency expired November 27, 2001; old Part repealed and new Part adopted at 29 Ill. Reg. 4988, effective March 22, 2005; amended at 38 Ill. Reg. 3359, effective January 15, 2014; emergency amendment at 44 Ill. Reg. 13435, effective July 29, 2020, for a maximum of 150 days; amended at 45 Ill. Reg. 602, effective December 23, 2020; emergency amendment at 45 Ill. Reg. 11680, effective September 7, 2021, for a maximum of 150 days; amended at 46 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 550.60 Program Requirements**

- a) Fiscal Year Marketing Plan and Project Budget Plan Approval

- 43 1) A Fiscal Year Marketing Plan and detailed Project Budget Plan identifying  
44 proposed tourism promotional activities and associated administrative  
45 expenditures utilizing LTCB grant and match funds shall be submitted by  
46 the applicant as a part of the application.  
47
- 48 2) Salaries and related payroll expenses for the program year paid with  
49 LTCB grant funds shall not exceed 50% of the total grant funds awarded,  
50 except that, in fiscal ~~years~~year 2021, 2022, and 2023, these expenses may  
51 represent up to 60% of the total grant funds awarded.  
52
- 53 A) 100% of tourism sales/promotion staff persons' salary may be  
54 applied toward the 50% cap and 60% cap in fiscal ~~years~~year 2021,  
55 2022, and 2023 only.  
56
- 57 B) 50% of the Chief Executive Officer's salary may be applied toward  
58 the 50% cap, except that in fiscal ~~years~~year 2021, 2022, and 2023  
59 the allotment for this salary may be up to 100% of the 60% cap.  
60
- 61 3) Grantees are prohibited from hiring any immediate family member of staff  
62 or of a board member who is involved in the hiring decision of staff if  
63 grant or match funds are utilized to pay the family member's salary.  
64 Immediate family members include the spouse, mother, father, daughter,  
65 son, or siblings and their children.  
66
- 67 b) Promotional Projects Paid from LTCB Grant Funds  
68
- 69 1) Promotional Costs. Promotional costs shall total at least 90% of the grant  
70 funds awarded.  
71
- 72 2) Bids/Proposals. When the amount paid to any one vendor for a project  
73 totals \$10,000 or more for commodities, or \$20,000 or more for services,  
74 a minimum of two bids using identical specifications shall be obtained and  
75 the grantee shall select the lowest qualified bidder for commodities and  
76 the most qualified proposer for services. Evidence of compliance with this  
77 subsection (i.e., copies of at least two bid proposals) shall be retained by  
78 the grantee for review by the Department.  
79
- 80 3) All promotional products produced with grant funds shall incorporate the  
81 current Department logo, which identifies the Department's participation  
82 in the tourism promotional activity. A grantee that fails to include the  
83 Department logo shall reimburse the Department for grant funds used in  
84 support of the project unless the Department finds that the omission of the  
85 logo was beyond the grantee's control.

- 4) The print date and quantity printed shall appear on all brochures.
- 5) The grantee shall be responsible for the accuracy of information contained within material produced with grant funds.
- 6) All printed promotional materials and premium items that are produced with grant funds shall be available free of charge.
- 7) Within 30 days after completion of a printing project, but only upon the Department's request, up to 10% of the materials printed must be sent to the Department's tourist information centers.
- 8) Costs identified under this Program shall not be claimed for any other project funded by the Department.
- 9) Examples of eligible promotional activities include, but are not limited to:
  - A) Production of printed materials, e.g., brochures, visitor guides, rack cards, and/or maps that promote:
    - i) the entire destination;
    - ii) multiple attractions within a destination; or
    - iii) a festival or event that will attract a minimum of 25% of its visitors from outside a 50-mile radius and that has been advertised, with at least 75% of promotion outside a 50-mile radius. This third provision may be waived at the Department's discretion if documentation is submitted to show that the destination or event attracts more than 50 percent of its overnight stays from within a 50-mile radius;
  - B) Travel/trade show booth space rental, purchase of booth, registration fees, and/or associated travel expenses (transportation, lodging, per diem at State rate) for a maximum of two bureau staff. Justification is required for additional people to attend;
  - C) Hosting of familiarization tours;
  - D) Placement and production costs of Internet, newspaper, magazine, radio, or television advertising to promote travel to the area. Advertising shall be distributed outside a 50-mile radius of the

promoted destination or event. Bureaus that provide documentation to the Department that at least 25% of their overnight visitors are from within a 50-mile radius may place that documented percentage of their advertising dollars for distribution within the 50-mile radius of the destination or event. Advertising placed in the cities of Chicago or St. Louis that is circulated to the entire distribution area does not require the above documentation;

- E) Membership dues for travel/tourism related associations or organizations;
- F) Billboards utilized for tourism promotion, including design/installation of advertising and rental of space;
- G) Premiums for tourism promotional purposes bearing the Department logo;
- H) Production of tourism promotional videos;
- I) Salaries;
- J) Postage used in fulfillment and direct mail promotions;
- K) Marketing research studies;
- L) Telephone charges related to provision of tourism products/services information;
- M) Internet sites that are linked to enjoyillinois.com; and
- N) Sponsorships that are evidenced by a prior written agreement between the grantee and the recipient entity describing the activities to be undertaken with the sponsorship.
  - i) Sponsorship funds may be used for reasonably necessary event expenses, provided, however, that:
    - No more than 50% of the sponsorship amount comes from grant funds, the balance being paid from matching funds; and
    - Sponsorship funds are expended on eligible promotional activities.

- ii) A sponsorship may be disallowed in whole or in part as an eligible grant promotional or match expenditure if it is determined by the Department that the purpose of entering into the sponsorship was to circumvent the prohibition against "pass-through funds".
  - 10) Bureaus must retain documentation regarding all revenue sources and expenditures from grant or match funds claimed in conjunction with the Program. This documentation shall include, but is not limited to, original invoices, original cancelled checks, proof of performance, bids, schedules of travel expenses, and any other information needed to clarify Program reports. With regard to proof of performance, examples include brochures, the full tear sheet for advertisements (the name and date of the publication appearing on the advertisement or a copy of the publication), samples of promotional items, and photos of billboards and street banners. The Department logo on each proof of performance must be easily readable.
  - 11) Examples of activities ineligible for payment from grant promotional funds include, but are not limited to:
    - A) Any administrative/operational expenses (copying, insurance, audits, accounting services, rent, office supplies, equipment, normal office postage, and non-promotional telephone expenses);
    - B) Purchase of any alcoholic beverage;
    - C) Feasibility studies; and
    - D) Salaries of administrative or clerical support staff.
  - 12) Grant funds cannot be used by a bureau to complete a promotional project if those funds will allow the bureau to realize a profit on that promotional project (e.g., revenues from all sources exceed the cost of the promotional project). Bureaus must keep records documenting all costs incurred and revenue generated from any promotional project containing paid advertising.
- c) Administrative Activities/Expenditures

- 1) Administrative costs shall be limited to 10% of the grant funds awarded. Examples of projects eligible for payment from grant administrative funding include, but are not limited to:
  - A) Administrative expenses (copying, normal office postage, insurance, audits, accounting services, phone, rent, office supplies, or equipment lease/rental) associated with tourism promotional activities of the bureau; and
  - B) Salaries of bureau administrative or clerical support staff.
- 2) Examples of activities/expenditures ineligible for payment from the grant administrative funds include, but are not limited to:
  - A) Lease/purchase agreements for any items;
  - B) Purchase of equipment;
  - C) Purchase of any alcoholic beverage;
  - D) Feasibility studies; and
  - E) Penalties, fines, fees or interest charges assessed as a result of late payment.
- d) All project activities shall be subject to prior approval as stated under subsection (a).

(Source: Amended at 46 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## **Section 550.70 Administrative Match Requirements**

*Matching Funds. Each grantee must provide match for grant funds received under the Program. Match expenditures must be no less than 50% of the grant funds expended, as well as any interest earned on grant funds that is also expended, except that, during fiscal ~~years~~<sup>year</sup> 2021 and 2022, the Department shall require that any grantee shall provide matching funds equal to no less than 25% of the grant amount. [20 ILCS 605/605-705(b)] If a grantee fails to match any portion of the grant award in a given fiscal year, that portion of the grant shall be refunded to the Department in accordance with the terms of the Grant Agreement. In-kind contributions shall not be used to satisfy match requirements.*

- a) Eligible matching funds must satisfy all of the following criteria:

- 1) Be provided to the grantee for general tourism promotional purposes in the designated service area;
  - 2) Be identified in the grantee's Project Budget Plan for the applicable fiscal year;
  - 3) Be available for expenditure during the applicable grant term;
  - 4) Be supported by grantee's records of deposit;
  - 5) Be expended by the grantee solely for eligible tourism promotional activities and associated administrative costs; and
  - 6) Not be refunded to the provider of the match.
- b) Eligible Sources of Matching Funds. The following sources may be used as match for grant funds:
- 1) Local hotel/motel tax receipts;
  - 2) Membership dues;
  - 3) Interest on local monies available for expenditure on tourism promotional activities;
  - 4) Cash contributions meeting all requirements of subsection (a); and
  - 5) Federal funds provided directly to the grantee for tourism promotional purposes that do not require match.
- c) Ineligible Sources and/or Expenditures of Matching Funds. These include, but are not limited to:
- 1) In-kind contributions;
  - 2) State or federal funds other than those allowed in subsection (b)(5);
  - 3) Monies used as match for other State or federal grants;
  - 4) Penalties, fines, fees, or interest charges assessed as a result of late payment;
  - 5) Pass-through funds; and

299  
300  
301  
302

6) Any purchase of alcoholic beverages.

(Source: Amended at 46 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)